

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No. D.T.E. 02-24/25  
Record Request Response

---

**Record Request No.: DOER-RR-04**

For DTE 00-PL-02 and DTE 00-PL-05:

(a) Provide a break out of the costs to date related to these compliance agreements that have been included in the 2001 test year, in either cost of service (Operations and maintenance expense) or Utility Plant in Service.

(b) Were the payment of the civil penalties reflected in the 2001 test year cost of service?

**Response:**

This response describes the actions undertaken by FG&E in order to comply with the Compliance Agreements under 00-PL-02 and DTE-PL-05 (Data Request DOER 1-16, Attachment 1 pages 6 and 7 of 7, and Attachment 2, pages 3 and 4 of 4), where the costs of these actions have had an impact on the test year cost of service and rate base used in the current proceeding. The payments of civil penalties related to each consent order were paid in calendar year 2000 and charged to a "below the line" account 426. The \$45,000 is not reflected in the test year cost of service.

**00-PL-02 Compliance Agreement**

Item 4. FG&E performed an excavation on Parker Street, Gardner to reset a section of gas main to a minimum depth of 24 inches. Costs to meet this requirement of the consent order amounted to \$83,484 and were classified as capital expenditures. These expenditures were incurred in the year 2000 and were included in Utility Plant in Service in test year 2001.

Item 5. FG&E meter readers performed an inspection of all meter-regulator, relief-vents lines to determine the need for protection from vehicle damage, and to determine if the vent line was insect resistant. Inspections were completed during 2000 while performing normal meter reading duties during the scheduled monthly meter reading cycle. Thus, the costs to perform this activity were not significant, and were not tracked or recorded as separate expense items. As a result of the survey, FG&E installed meter guards at approximately two hundred thirty three (233) meter locations, 100 of which were installed in 2000 at a capital cost of \$17,126 and 133 of which were installed in 2001 at a capital cost of \$ 28,816. The total amount of \$45,942 has been included in test year 2001 Utility Plant in Service.

Item 6. FG&E performed a field inspection of nine (9) gas service locations to determine if the services had been cut and abandoned. FG&E also performed work to ensure that the services at each location had been properly abandoned. Capital costs of \$ 16,456 were incurred for this work in 2000 and are included in the 2001 test year Utility Plant in Service.

Commonwealth of Massachusetts  
Department of Telecommunications and Energy  
Fitchburg Gas and Electric Light Company  
Docket No. D.T.E. 02-24/25  
Record Request Response

---

**00-PL-05 Compliance Agreement**

Item 1. FG&E performed leak survey inspections on 1,052 gas services in the year 2000, and on 1,026 gas services in the year 2001. The costs to meet this requirement of the consent order were recorded to operations and maintenance expense. Expenses incurred in the year 2001 are estimated to be approximately \$12,346.

Item 2. FG&E is continuing to perform pressure testing on high-pressure services requiring annual inspection. The costs to meet this requirement of the consent order were recorded to operations and maintenance expense. The costs incurred in the test year 2001 are estimated to be \$2,189.

Item 3.

As explained by Mr. Collin at the hearing on August 5, 2002, FG&E had a cast iron main program prior to the Compliance Agreement. The Compliance Agreement provides that FG&E will annually replace 2 miles (10, 560 feet) of cast iron main. Based on the average footage replaced during the four years (1996-1999) prior to the accelerated replacement, the incremental cost of the accelerated replacement was \$775,975 for 2000 and \$627,215 for 2001. Refer to the calculation in Attachment 1 DOER-RR-4. The total incremental cost of \$1,403,190 is reflected in test year 2001 Utility Plant in Service.

**Person Responsible:** Mark H. Collin

Incremental Capital Cost of Cast Iron Replacement Program  
Related to Consent Order and Compliance Agreement in DTE 00-PL-05  
(Historical Information on Capital Cost and footage from Data Request AG 4-14 (Gas) )

Year	Cost (in 000's)	Footage	Cost Per Foot	Incremental Footage	Incremental Cost
2001	\$ 1,225	11,829	\$103.56	7,493	\$775,975
2000	\$ 1,261	8,627	\$146.17	4,291	\$627,215
					<u>\$1,403,190</u>
Incremental amount in test year Utility Plant					

Year	Footage	Annual Average Footage '96-'99
1999	4,346	4,336
1998	4,611	
1997	4,237	
1996	4,148	